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> IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

- - - - - - - - - x In re: Chapter 11 CIRCUIT CITY STORES, INC., : Case No. 08-35653 (KRH) <u>et</u> <u>al</u>., Debtors. : Jointly Administered - - - - - - - - - x

DEBTORS' MOTION FOR ORDER SHORTENING NOTICE PERIOD AND LIMITING NOTICE OF DEBTORS' MOTION FOR ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 105, 363 AND 503 AND BANKRUPTCY RULES 2002 AND 6004 (A) AUTHORIZING SELLER TO ENTER INTO AGREEMENT IN CONNECTION WITH SALE OF CERTAIN REAL PROPERTY LOCATED IN ARDMORE, OKLAHOMA, SUBJECT TO HIGHER OR OTHERWISE BETTER BIDS, (B) APPROVING TERMINATION FEE IN CONNECTION THEREWITH, (C) APPROVING SALE OF REAL PROPERTY FREE AND CLEAR OF ALL INTERESTS, AND (D) GRANTING RELATED RELIEF

The debtors and debtors in possession in the above-captioned jointly administered cases (collectively, the "Debtors") hereby move this Court (the "Motion to Shorten Notice") for an order under section 102 of the title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 9006 and 9007 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") approving shortened and limited notice for Debtors' Motion for Order Pursuant to Bankruptcy Code Sections 105, 363 and 503 and Bankruptcy Rules 2002 and 6004 (A) Authorizing Seller to Enter into Agreement in Connection with Sale of Certain Real Property Located in Ardmore, Oklahoma, Subject to Higher or Otherwise Better Bids, (B) Approving Termination Fee in Connection Therewith, (C) Approving Sale of Real Property Free and Clear of All Interests, and (D) Granting Related Relief (the "Motion"). In support of the Motion to Shorten Notice, the Debtors respectfully represent as follows:

The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc.(6796), Sky Venture Corp. (0311), PRAHS, INC. (n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan Boulevard, Westminster, Colorado 80031. For all other Debtors, the address is 9950 Mayland Drive, Richmond, Virginia 23233.

JURISDICTION AND VENUE

- 1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.
- 2. The statutory predicates for the relief requested herein are Bankruptcy Code section 102 and Bankruptcy Rules 2002, 9006 and 9007.

BACKGROUND

A. The Bankruptcy Cases.

- 3. On November 10, 2008 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code.
- 4. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.
- 5. On November 12, 2008, the Office of the United States Trustee for the Eastern District of Virginia appointed a statutory committee of unsecured creditors (the "Creditors' Committee"). To date, no trustee or examiner has been appointed in these chapter 11 cases.

6. On January 16, 2009, the Court authorized the Debtors, among other things, to conduct going out of business sales at the Debtors' remaining 567 stores pursuant to an agency agreement (the "Agency Agreement") between the Debtors and a joint venture, as agent (the "Agent"). On January 17, 2009, the Agent commenced going out of business sales pursuant to the Agency Agreement at the Debtors remaining stores. As of on or about March 8, 2009, the going out of business sales concluded.

RELIEF REQUESTED

7. By this Motion to Shorten Notice, the Debtors request entry of an order shortening the notice period and limiting notice of the Motion so that it can be heard, considered and ruled upon by the Court at a hearing on May 13, 2009.

BASIS FOR RELIEF

8. Concurrently herewith, the Debtors filed the Motion, which seeks an order (A) authorizing the Debtors to enter into the agreement in connection the sale of certain real property located at 1901 Cooper Drive, Ardmore, Oklahoma (the "Property"), subject to higher or otherwise better proposals, (B) approving a termination fee in connection therewith, (C) approving the of the sale of the

Property free and clear of all interests, and (D) granting related relief (the "Sale Order").

- 9. The Debtors believe it is in the best interests of the Debtors' estates, creditors and other parties in interest for the Motion to be heard at the hearing on May 13, 2009 at 2:00 p.m. The Debtors are seeking authorization and approval of the Motion at this time because it reduces the time allotted under Rule 2002 by only one day and results in more immediate money to the Debtors' estates. If the Debtors are able to immediately close the sale, it will result in a more immediate benefit to the Debtors' estates, which will in turn save the Debtors continued accrual of administrative expenses and thereby benefit the Debtors' estates. Furthermore, the Purchaser is purchasing the property as part of a Internal Revenue Code section 1031 "like kind exchange". Under the relevant tax laws, if the Debtor does not close a transaction by immediately following entry of the Sale Order, the Purchaser risks losing the ability to effectuate a section 1031 exchange.
- 10. Moreover, the Debtors propose to provide notice of the Motion to (i) the Office of the United States

 Trustee for the Eastern District of Virginia; (ii) counsel

to the agent for the DIP Lenders; (iii) counsel to Creditors' Committee; (iv) parties who have requested notice pursuant to Bankruptcy Rule 2002; (v) the Core Group (as defined in the Case Management Order entered on November 13, 2008 at Docket No. 130); (vi) all entities known to have expressed an interest in a transaction regarding the Property during the past three (3) months; (vii) all entities reasonably known to have a Lien on the Property; and (vii) all federal, state, and local regulatory or taxing authorities or recording offices that have a reasonably known interest in the relief requested by the Motion. The Debtors submit that, under the circumstances, no other or further notice need be given and in light of the circumstances, such notice is reasonably calculated to provide timely and adequate notice to the Debtors' major creditor constituencies and those parties most interested in these cases.

WAIVER OF MEMORANDUM OF LAW

11. Pursuant to Local Bankruptcy Rule 9013-1(G), and because there are no novel issues of law presented in the Motion to Shorten Notice and all applicable authority is set forth in the Motion to Shorten Notice, the Debtors

request that the requirement that all motions be accompanied by a separate memorandum of law be waived.

NO PRIOR REQUEST

12. No previous request for the relief sought herein has been made to this Court or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court (i) enter an Order, substantially in the form annexed hereto, granting the relief requested herein, and (ii) such other and further relief as may be just and proper.

Dated: April 24, 2009 Richmond, Virginia

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Counsel for Debtors and Debtors in Possession

[Proposed Order]

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> IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

- - - - - - - - - X

In re: : Chapter 11

CIRCUIT CITY STORES, INC., : Case No. 08-35653 (KRH)

et al.,

Debtors. : Jointly Administered

ORDER GRANTING DEBTORS' MOTION FOR ORDER SHORTENING NOTICE PERIOD AND LIMITING NOTICE OF DEBTORS' MOTION FOR ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 105, 363 AND 503 AND BANKRUPTCY RULES 2002 AND 6004 (A) AUTHORIZING SELLER TO ENTER INTO AGREEMENT IN CONNECTION WITH SALE OF CERTAIN REAL PROPERTY LOCATED IN ARDMORE, OKLAHOMA, SUBJECT TO HIGHER OR OTHERWISE BETTER BIDS, (B) APPROVING TERMINATION FEE IN CONNECTION THEREWITH, (C) APPROVING SALE OF REAL PROPERTY FREE AND CLEAR OF ALL INTERESTS, AND (D) GRANTING RELATED RELIEF

Upon consideration of the Motion (the "Motion to Shorten Notice") for an order under section 102 of the title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 9006 and 9007 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") approving shortened and limited notice for Debtors' Motion for Order Pursuant to Bankruptcy Code Sections 105, 363 and 503 and Bankruptcy Rules 2002 and 6004 (A) Authorizing Seller to Enter into Agreement in Connection with Sale of Certain Real Property Located in Ardmore, Oklahoma, Subject to Higher or Otherwise Better Bids, (B) Approving Termination Fee in Connection Therewith, (C) Approving Sale of Real Property Free and Clear of All Interests, and (D) Granting Related Relief (the "Motion"); and the Court having reviewed the Motion; and the Court having determined that the relief requested in the Motion to Shorten is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and it appearing that proper and adequate notice of the Motion to Shorten has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED that:

- 1. The Motion to Shorten is GRANTED.
- 2. Notice of the Motion is shortened so that it may be heard, considered and ruled upon by the Court at a hearing on May 13, 2009 at 2:00 .m.
- 3. Notice of the Motion is limited to the parties as set forth in the Motion.

4. This Court will retain jurisdiction with respect to any dispute concerning the relief granted hereunder.

Dated: Richmond, Virginia , 2009

UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

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CERTIFICATION OF ENDORSEMENT UNDER LOCAL RULE 9022-1(C)

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Douglas M. Foley

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